

state of business. world of opportunity.
activity report 2011





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letter from the secretary



Dear Fellow South Carolinians and Partners in Commerce,

With the initiatives of the Governor, and the dedication of the Commerce team, 2011 was a great year to be in South Carolina. The South Carolina Department of Commerce provides opportunities for business to thrive, whether new or existing, large or small. I consider myself lucky to work with a passionate team of professionals that continues to support economic development in South Carolina.

In 2011, strides were made that enhanced the business-friendly environment of South Carolina, resulting in the recruitment of 20,013 jobs and capital investments totaling \$5.12 billion. Those recruitment and investment efforts were seen in the form of 149 projects, of which 56 percent were expansions and 44 percent were new ventures within the state. As Governor Haley and I have said, we build things in South Carolina, and we are proud that manufacturing grew substantially to account for 82 percent of the 2011 announcements.

South Carolina also experienced a state-wide unemployment decrease in 2011, even as the state's fast-growing labor force has consistently outpaced national growth levels. About 21 percent of the state's labor force resides in non-urban counties, and more than 22 percent of the jobs Commerce recruited in 2011 were in these counties.

As if the numbers did not say enough, *Area Development* recognized South Carolina with the 2011 Gold Shovel Award and as a "Top State for Doing Business," ranking the state 4th in the nation.



South Carolina was also recognized by *Business Facilities'* Economic Deal of the Year competition and ranked in the Top 10 nationally in five separate categories on the magazine's annual rankings report.

Underlying these successes, small businesses are the backbone of our state's economy. Governor Haley and I acknowledged this last year with the creation of the Small Business Advisory Council. We are determined to provide the best support possible for South Carolina's small business community and recently rolled out a convenient networking resource, scbiznetwork.com.

Another help to small business is the success of large businesses in the state, and in 2011 we announced major deals with companies like BMW, Bridgestone, Continental, Michelin and Nephron Pharmaceuticals.

Each of these accomplishments was an important chapter in the 2011 success story, which this report summarizes. And with the progress we made last year, I feel confident that this is only the beginning of the story.

Sincerely,

Robert M. Hitt, III

progress overview



Total jobs – 20,013



Total capital investment – \$5.12 billion



Total projects – 149



Projects announced in 37 counties



44% new, 56% expansions



82% manufacturing, 15% service, 3% distribution



Record-high recruitment in capital investments and near-record in jobs



About 21% of the state's labor force resides in non-urban counties, and more than 22% of the jobs Commerce recruited in 2011 were in these counties.

top 10 job announcements



Top 10 Job Announcements

| COMPANY | JOBS CREATED | COUNTY |
|-------------------------|--------------|--------------------------|
| Continental Tires | 1,700 | Sumter |
| TD Bank | 1,400 | Greenville and Lexington |
| CertusBank, N.A. | 350 | Marlboro |
| Kongsberg Automotive | 300 | Richland |
| Bridgestone Americas | 850 | Aiken |
| Amazon.com, Inc. | 750 | Lexington |
| Nephron Pharmaceuticals | 707 | Lexington |
| Amy's Kitchen | 700 | Greenville |
| Otis Elevator Company | 360 | Florence |
| TIGHTICO, Inc. | 350 | Charleston |

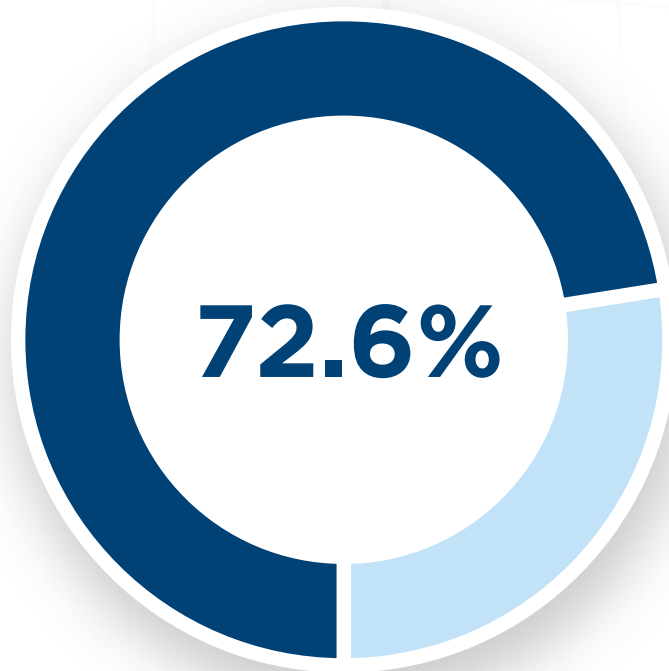
Top 10 Capital Investments

| COMPANY | INVESTMENT | COUNTY |
|--------------------------------|---------------|-------------|
| Bridgestone Americas | \$1.2 billion | Aiken |
| Continental Tires the Americas | \$500 million | Sumter |
| Nephron Pharmaceuticals | \$313 million | Lexington |
| Showa Denko Carbon, Inc. | \$236 million | Dorchester |
| Michelin North America | \$200 million | Lexington |
| BMW Manufacturing Co. | \$100 million | Spartanburg |
| Sonoco | \$100 million | Darlington |
| ZF Group | \$80 million | Laurens |
| Bosch Rexroth Corporation | \$80 million | Greenville |
| Amy's Kitchen | \$63 million | Greenville |

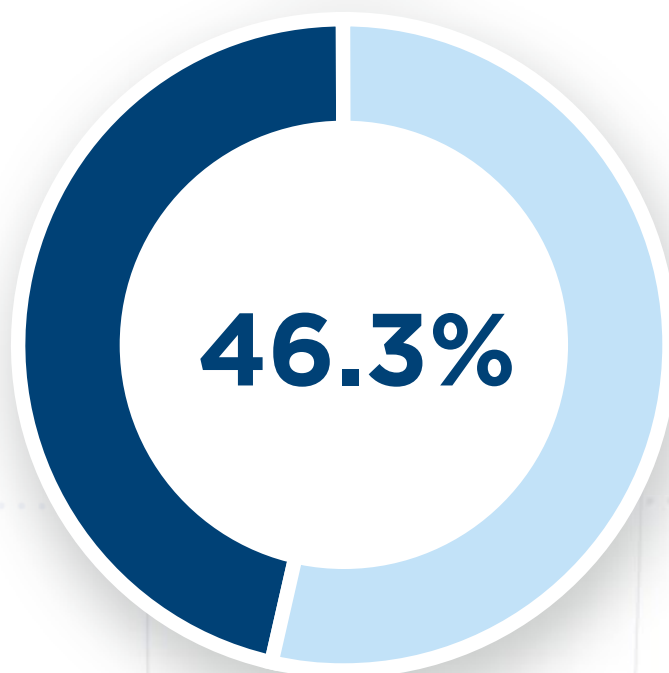
foreign direct investment



» Total capital investment – **\$3.7 billion** or

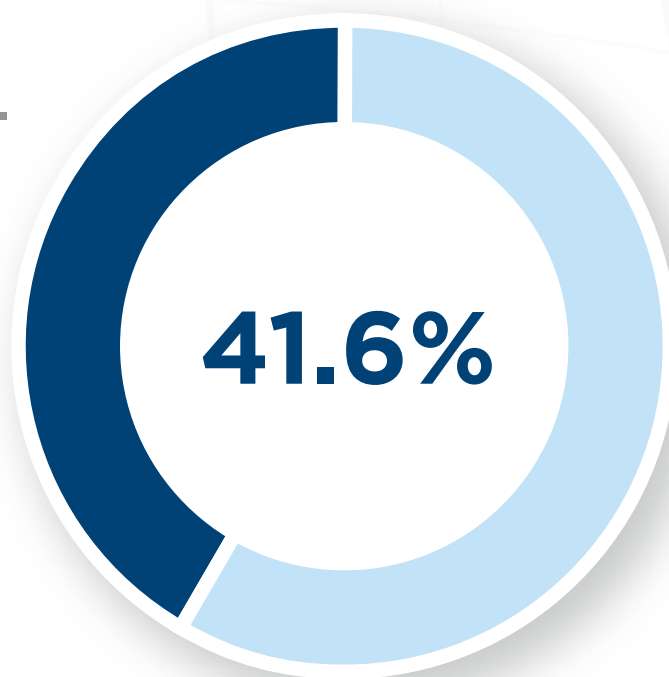


» Total jobs – **9,269** or










» Total projects –
62 or



» Comparison to past years

| YEAR | CAPITAL INVESTMENT | JOBS | PROJECTS |
|-------|--------------------|---------|----------|
| 2006 | \$ 2,983,739,000 | 14,398 | 139 |
| 2007 | \$ 4,050,047,444 | 15,688 | 180 |
| 2008 | \$ 4,169,751,439 | 18,993 | 190 |
| 2009 | \$ 2,458,521,454 | 18,018 | 161 |
| 2010 | \$ 4,058,315,439 | 20,453 | 172 |
| 2011 | \$ 5,106,366,786 | 20,013 | 149 |
| Total | \$ 22,826,741,562 | 107,563 | 991 |

» 2011 foreign direct investment

| COUNTRY | CAPITAL INVESTMENT | CI % | JOBS | J% | PROJECTS | P% |
|---|------------------------|---------------|---------------|---------------|------------|---------------|
|  Germany | \$1,014,010,500 | 19.9% | 3,267 | 16.3% | 20 | 13.4% |
|  Canada | \$164,290,000 | 3.2% | 2,340 | 11.7% | 8 | 5.4% |
|  Japan | \$1,556,700,000 | 30.5% | 975 | 4.9% | 6 | 4.0% |
|  India | \$4,250,000 | 0.1% | 750 | 3.7% | 1 | 0.7% |
|  United Kingdom | \$152,300,000 | 3.0% | 464 | 2.3% | 5 | 3.4% |
| France | \$463,600,000 | 9.1% | 405 | 2.0% | 5 | 3.4% |
| Norway | \$7,300,000 | 0.1% | 300 | 1.5% | 1 | 0.7% |
| China | \$85,079,978 | 1.7% | 160 | 0.8% | 2 | 1.3% |
| Egypt | \$150,000 | 0.0% | 120 | 0.6% | 1 | 0.7% |
| Spain | \$63,026,000 | 1.2% | 118 | 0.6% | 3 | 2.0% |
| The Netherlands | \$5,707,000 | 0.1% | 111 | 0.6% | 2 | 1.3% |
| Italy | \$24,200,000 | 0.5% | 80 | 0.4% | 2 | 1.3% |
| Lebanon | \$12,000,000 | 0.2% | 60 | 0.3% | 1 | 0.7% |
| UAE | \$5,800,000 | 0.1% | 50 | 0.2% | 1 | 0.7% |
| Denmark | \$11,320,000 | 0.2% | 40 | 0.2% | 1 | 0.7% |
| Sweden | \$65,000,000 | 1.3% | 29 | 0.1% | 2 | 1.3% |
| Thailand | \$70,000,000 | 1.4% | - | 0.0% | 1 | 0.7% |
| FOREIGN TOTAL | \$3,704,733,478 | 72.6% | 9,269 | 46.3% | 62 | 41.6% |
| United States | \$1,401,633,308 | 27.4% | 10,744 | 53.7% | 87 | 58.4% |
| GRAND TOTAL | \$5,106,366,786 | 100.0% | 20,013 | 100.0% | 149 | 100.0% |

» Foreign direct investment by year

Foreign Projects

| YEAR | CAPITAL INVESTMENT | JOBS | PROJECTS |
|------|--------------------|-------|----------|
| 2006 | \$912,015,000 | 2,808 | 32 |
| 2007 | \$2,060,305,210 | 4,821 | 48 |
| 2008 | \$1,824,494,805 | 5,094 | 48 |
| 2009 | \$451,674,750 | 2,299 | 41 |
| 2010 | \$1,057,386,100 | 5,889 | 49 |
| 2011 | \$3,704,733,478 | 9,269 | 62 |

Foreign Projects as a Percent of Total Projects

| YEAR | CAPITAL INVESTMENT % | JOBS % | PROJECTS % |
|------|----------------------|--------|------------|
| 2006 | 30.6% | 19.5% | 23.0% |
| 2007 | 50.9% | 30.7% | 26.7% |
| 2008 | 43.8% | 26.8% | 25.3% |
| 2009 | 18.4% | 12.8% | 25.5% |
| 2010 | 26.1% | 28.8% | 28.5% |
| 2011 | 72.6% | 46.3% | 41.6% |

SC awards & accolades



Area Development's 2011 Gold Shovel Award Winner

Area Development's 2011 Gold Shovel Award Winner in recognition of economic development projects undertaken in 2010. The award is based on the number of high-value added jobs per capita, amount of investment, number of new facilities and industry diversity. South Carolina was also a Silver Shovel Award recipient in 2009 and 2010.



Area Development's 2011 Top States for Doing Business

4th in the nation as a place to do business based on 12 key site selection criteria in three general categories - business environment, infrastructure and labor climate. For the second year in a row, the magazine surveyed a select group of national site consultants to identify the 10 most attractive states for business. South Carolina was the consultants' 2nd choice for overall business climate.



Business Facilities' 2011 Economic Deal of the Year competition

Business Facilities' 2011 Economic Deal of the Year competition - Silver Award for the new Continental Tire the Americas (CTA) plant in Sumter County. CTA's \$500 million investment is expected to generate 1,700 new jobs, including 80 new jobs at CTA's headquarters in Lancaster County. This is the third consecutive year that South Carolina has been recognized in the Economic Deal of the Year competition.

Business Facilities THE LOCATION ADVISOR

Business Facilities' State Rankings

SC did exceptionally well placing in five categories: 3rd for Economic Growth Potential, 2nd in Automotive Manufacturing Strength, 5th for Best Business Climate, 8th for Workforce Training Leader and 8th for Lowest Cost of Labor.

Chief Executive annual poll of CEOs

Chief Executive ranked SC as one of the ten best states for business in the magazine's annual poll of CEOs, ranking 8th. About 550 CEOs rated states on taxation and regulation, workforce quality and quality of life.

Forbes

Forbes ranks South Carolina 5th best in 2011 for its pro-business regulatory environment

Forbes considered the state's regulatory and tort climate, incentives, transportation and bond ratings.



Pollina Corporate Real Estate

Ranks South Carolina as the 9th most Pro-Business State for 2011. South Carolina has ranked in the top ten for eight consecutive years.

Site Selection's Top State Business Climates -

Ranked 5th overall and 7th in survey of corporate and real estate executives. South Carolina also held 5th place overall in 2010, and corporate executives have ranked South Carolina in the top 10 for the past eight years. The magazine's New Plant Database showed that South Carolina had the most new projects per capita during 2010.

Trade and Industry Development chose two projects as 2011 Corporate and Investment Community Impact Award Winners

Two projects recruited by the South Carolina Department of Commerce in conjunction with local economic development allies were among the magazine's 2011 Corporate Investment & Community Impact (CiCi) Award winners.

“We couldn't be more excited to see South Carolina recognized for the work we're doing to make our state the best in the country for business development, but what's even more exciting is that this is only the beginning of what we're going to see for our state.”

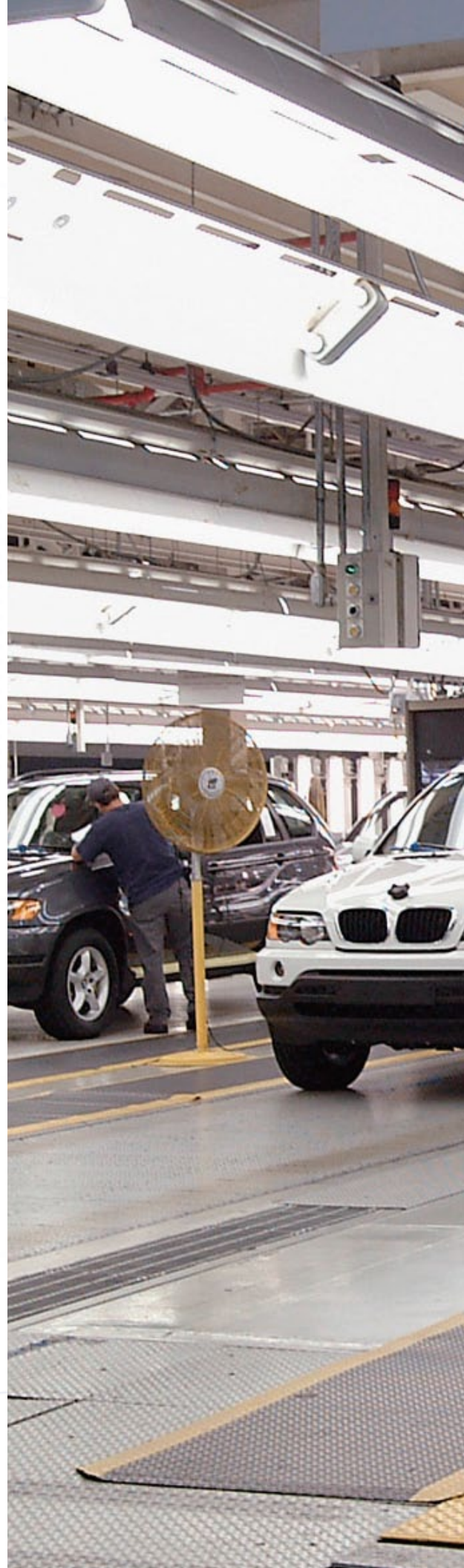
- Gov. Nikki Haley. (on Gold Shovel Award)



BMW and the Workforce

BMW will further increase its workforce in South Carolina, creating 100 new jobs at the Spartanburg plant. The company is also creating two new workforce programs at the facility along with the additional jobs. The workforce programs include a new manufacturing recruitment program, BMW Scholars, and a \$5 million Associate Family Health Center. To launch the BMW Scholars program the company is partnering with three area technical colleges: Spartanburg Community College, Greenville Technical College and Tri-County Technical College, to provide work experience to students interested in pursuing a career in skilled manufacturing. These additions to the BMW workforce set the stage for the \$900 million expansion announcement made in early 2012. This expansion, expected to generate 300 new jobs, is to prepare the Spartanburg facility for the production of the new BMW X4.

"The BMW Scholars program is the perfect complement to our recruiting strategy. By investing in workforce programs that build a pool of qualified men and women, we are helping to sustain the future of BMW and skilled manufacturing in South Carolina," said *Josef Kerscher, president of BMW Manufacturing.*





F1B



Bridgestone's Record Investment

Bridgestone Americas, Inc. announced in September the construction of a new 1.5 million-square-foot off-road radial tire (ORR) manufacturing facility on a greenfield site in Aiken County. In addition, the company also announced a 474,000-square-foot expansion of the existing passenger (PSR) and light truck (LTR) tire plant in Aiken County. The total \$1.2 billion investment makes its mark as the largest single initial capital investment in South Carolina state history and increases Bridgestone Americas' workforce in Aiken County by more than 850 full-time and contract positions. This announcement followed the company's announcement in July that Bridgestone Americas Tire Operations (BATO) was expanding its Aiken facility with a \$135 million investment expected to create 122 new jobs.

"Bridgestone Americas is a world-class manufacturer and this investment will be a real game-changer. The company's new plant will further strengthen South Carolina's manufacturing sector and shows that our business-friendly environment and top-notch talent continue to keep us competitive with locations across the globe," said *Bobby Hitt, Secretary of Commerce*.





Continental



Continental
TIRE

GENERAL TIRE



Continental Creates Jobs

Continental Tire the Americas (CTA) announced in October plans to build a new tire manufacturing plant in Sumter County to meet growing demand from both the retail level and automotive manufacturers. The \$500 million investment is expected to generate 1,700 new jobs in South Carolina over the next 10 years.

"[The] announcement would not have been possible without the strong support of the state of South Carolina, Governor Haley and Secretary Hitt," said *Jochen Etzel, CEO of Continental Tire the Americas*. "South Carolina offered us the most compelling business climate that allows us to create these well-paying jobs with competitive benefits for the people of this great state."







Nephron Pharmaceuticals Corporation announced in October that the company would establish a new pharmaceutical manufacturing campus and offices in Lexington County. The \$313 million investment, expected to generate 707 new jobs, will be located on a 60-acre campus near the Amazon facility in Lexington. It is expected to be up and running in the next couple of years.

"We are excited to expand our company by locating our new manufacturing facility in Lexington County. This is a big step for our firm and will help us meet increased demand, expand our market share and develop our pipeline of products. South Carolina has an excellent business environment and we look forward to our expansion into the Palmetto State," said *Lou Kennedy, CEO of Nephron Pharmaceuticals Corporation.*



small business support

- » The Small Business Advisory Council was formed as part of Governor Haley and Secretary Hitt's effort to provide the best support possible for South Carolina's small business community. More business for small business is the underlying goal of the council, which includes representatives from the Small Business Administration (SBA), the US Department of Agriculture (USDA), the Small Business Development Center (SBDC), the SC Manufacturing Extension Partnership (SCMEP), Michelin Development Corporation, and the SC Department of Commerce.
- » A new position, agribusiness project manager, was created in partnership with the South Carolina Department of Agriculture to focus exclusively on agribusiness projects that will bring investment and job creation to South Carolina. Companies in this sector provide a range of goods and services relating to the production, processing, and distribution of food, feed, fiber and fuel.
- » The U.S. Small Business Administration awarded Commerce a State Trade and Export Promotion (STEP) grant to help small businesses in South Carolina seize export opportunities. www.sccommerce.com/news/press-releases/departments-commerce-awarded-sba-grant-further-exports



Commerce began working on a new online site selection tool - an updated building and sites database that will roll out in 2012.



Small businesses play an important role in Boeing’s supply chain, and we rely on our small business partners to deliver important products and services to our company. Every Boeing supplier partner makes it possible for us to get airplanes in the air.”

– Jack Jones, Vice President and General Manager, Boeing South Carolina

export overview



- » South Carolina's 2011 exports totaled more than \$24.6 billion in goods sold to 198 countries around the world.
- » Figures represent a 21.4 percent increase over 2010 totals, which ranked the state 14th in the U.S. in 2011 (for export growth).
- » The state's top 10 export industries last year were vehicles, machinery, rubber products, electrical machinery, plastics, paper and paperboard, organic chemicals, optics and medical equipment, wood pulp and cotton yarn and fabric.
- » The top three export markets were Germany with nearly \$4 billion in products purchased, Canada with more than \$3.7 billion in products, and China with more than \$3 billion in products.
 - » China was followed by Mexico at number four, then the United Kingdom, Australia, India, Brazil, Japan and Saudi Arabia.



2011 S.C. export rankings among states



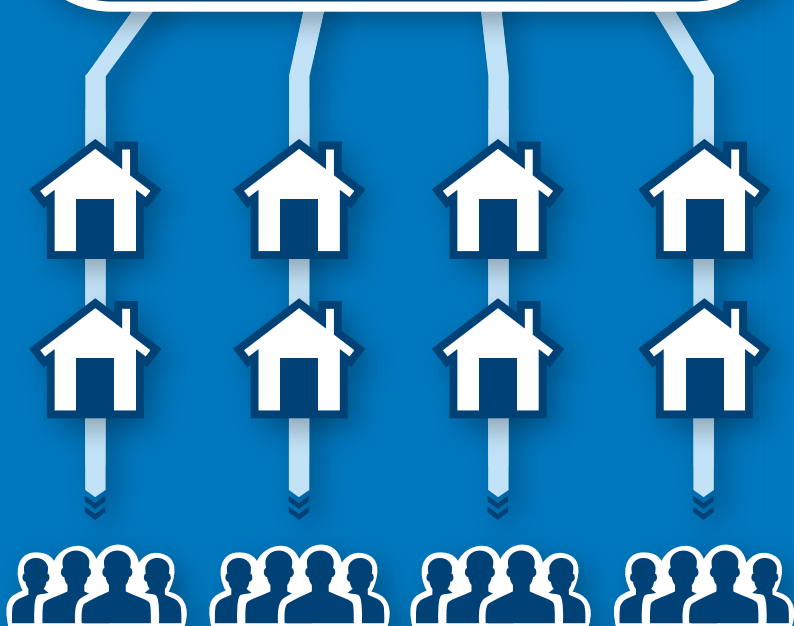
- » Ranked 17th in exports.
- » Ranked only behind California in exports to Germany.
- » Ranked 4th in exports to Saudi Arabia
- » Ranked 9th in exports to India
- » Ranked 10th in exports to China
- » Ranked first in exports of tires, holding nearly 30% of the share of U.S. made exported tires.
- » Ranked first in exports of automobiles to the world, surpassing Michigan.
- » SC ranked 2nd in 2011, behind Texas, in the value of gas turbines exceeding 5,000 Kw exported from SC to the world.



community development block grants



About \$16.3 million in Community Development Block Grant funds were awarded to 37 communities across the state in August. Funding is for improving sewer and water services and will benefit more than 23,000 residents.



“The CDBG program consistently has a positive impact on communities across our state that are missing resources for community development. These resources not only help improve residents’ quality of life, but also help create a more competitive environment for bringing jobs and investment.”

*- Bobby Hitt,
Secretary of
Commerce*

[www.sccommerce.com/news/
press-releases/37-south-carolina-
communities-get-funding-improving-
sewer-and-water-services](http://www.sccommerce.com/news/press-releases/37-south-carolina-communities-get-funding-improving-sewer-and-water-services)





The South Carolina Economic Development Institute is South Carolina's leading economic development education program.



Program has now seen 844 graduates



Bronco Bostick of Hardeeville graduated this year: "The things I learned at the Institute I use every day as Mayor. It really is of great benefit. I think every elected official anywhere should go through the Institute."



Commerce also offers Economic Development 101, tailored for community needs upon request.



South Carolina has a world-class Technical College System



– can coordinate training needs at little or no cost for eligible new or expanding companies throughout the state.



The program works with the state's 16 technical colleges to develop training curriculum tailored to meet a company's workforce requirements.



More than a quarter million workers have been trained for almost 2,000 companies since the program's inception.



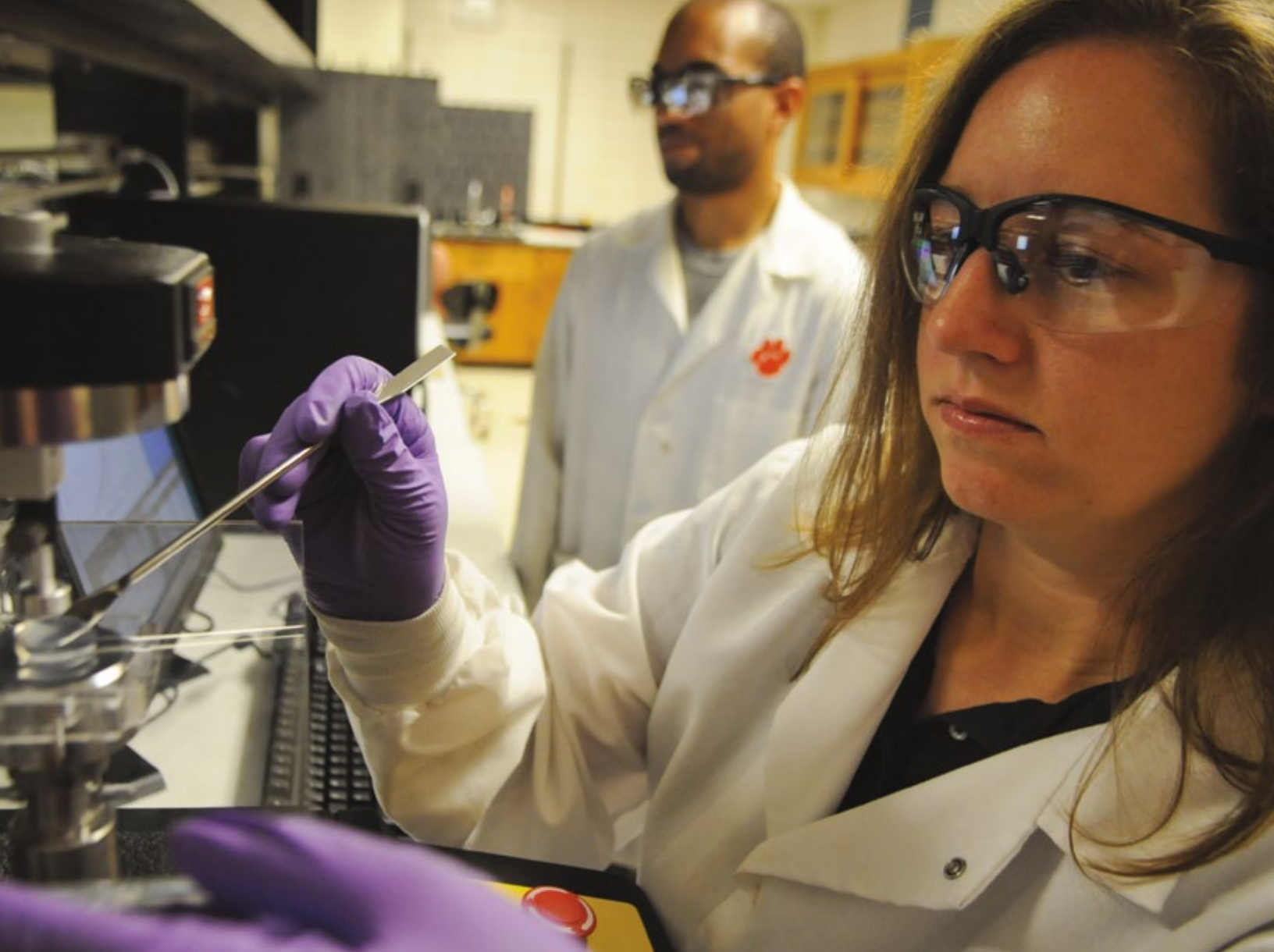
SC workforce advantage

- » The state's fast-growing labor force has consistently outpaced national growth levels.
- » SC has the 2nd lowest unionization rate in the U.S.
- » SC ranks 2nd lowest for manufacturing unionization, 1.6%.
- » SC has one of the lowest work stoppage rates in the U.S. with minimal working time lost due to strikes in manufacturing and non-manufacturing industries combined.
- » Ranked 6th in the nation based on quality, availability of workers and workforce training (CNBC)
- » In 10 years SC has moved from the bottom of the 4th quartile into the 3rd quartile of education performance.



K-12 programs like Personal Pathways to Success provide a seamless pathway to education success

- » 97% of students have Individual Graduation Plans with a Cluster of Study tied to career goals
- » 31,000 in At Risk programs with 91% success rate



- » SC's Endowed Chairs SmartState Program helps commercialize research for jobs in South Carolina
- » SC connects adults to education and training
 - » 161,000 have earned WorkKeys Career Readiness Certificates - second in the U.S. behind Georgia
 - » 360 Quick Jobs Courses in SC - 3-6 month training to gain skills for employment in high need jobs

top 11 accomplishments in 2011



1

Continental Tire the Americas (CTA) announced plans to build a new tire manufacturing plant in Sumter County. The \$500 million investment is expected to generate 1,700 new jobs in South Carolina over the next 10 years. CTA also announced the expansion of the company headquarters in Lancaster County.



2

Bridgestone Americas, Inc. made the single largest capital investment in South Carolina state history. A total of \$1.2 billion will be invested in a new manufacturing facility in Aiken County along with an expansion to its existing facility.



3

Area Development's Gold Shovel Award and 2011 Top States for Doing Business. Gold Shovels are awarded to states that have achieved the most success in terms of job creation and economic impact.



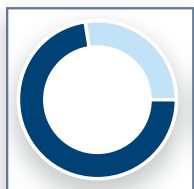
4

Record Breaking FDI- South Carolina leads the U.S. in foreign-affiliated job recruitment per capita, and foreign investment accounted for almost 30% of jobs recruited over the past five years.



5

This past year saw a number of record-breaking capital investments, including \$313 million from Nephron Pharmaceuticals and \$200 million from Michelin North America. In total, the state recruited over 20,000 jobs and more than \$5.12 billion in investments.



6

Significant percentages of jobs and capital investments were in the manufacturing industry and in rural areas.



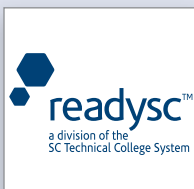
7

More than 1,000 jobs created in Greenville, Lexington, Marlboro, Richland and Sumter Counties



8

STEP grant awarded from the Small Business Administration, which aims to increase the number of small businesses that are exporting.



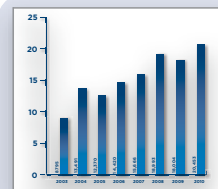
9

readySC™ celebrated 50 years of innovation and job creation, with 260,811 trainees since 1961



10

Commerce launched a new website **SCcommerce.com**, which provides updates and resources for current large and small businesses, in addition to information for prospective companies.



11

\$11 billion estimated total economic impact of South Carolina recycling industry in 2011



SCcommerce.com

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